

Sheppard Mullin Richter & Hampton Wins Major Victory Involving Battle Over Churchland

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Los Angeles, CA, August 7, 2002— Sheppard, Mullin, Richter & Hampton attorneys, Andrew J. Guilford, Sean O'Connor, and Jeffrey Blank, have prevailed on behalf of client, Cottonwood Christian Center ("Cottonwood"), in a federal case which has drawn national attention.

Yesterday morning, Judge David O. Carter of the United States District Court ordered the City of Cypress ("City") to stop efforts to take property bought by Cottonwood Christian Center to build a church. In a 36-page decision, **the Court found there was a "likelihood of success" that at trial, Cottonwood Christian Center would prevail** on its claims that the City is violating the church's constitutional rights under the First and Fifth Amendment of the Bill of Rights and is violating a recently enacted federal statute, the Religious Land Use and Institutionalized Persons Act, known as RLUIPA.

"We are extremely pleased for our client as we have fought this battle on behalf of Cottonwood for over three years," **commented Sean O'Connor, partner in the Real Estate & Land Use Litigation Practice Group.** O'Connor added, "This ruling is important for two distinct reasons. First, it signals that the City's activities have substantially burdened Cottonwood's free exercise of religion. Second, it sends a message to cities across the country that eminent domain abuse under the guise of 'redevelopment' will not be tolerated."

Said **Andrew J. Guilford, partner in the Business Trial Practice Group,** "It's a great day for the people of this country to have our most cherished rights—the right of free exercise of religion and fundamental property rights—defended in court."

Cottonwood tried to obtain a conditional use permit ("CUP") to develop an 18-acre site as a church, but the City, which wanted the site developed as a retail center for sales and property tax revenue reasons, denied Cottonwood's CUP application.

In January, Cottonwood filed suit against the City, seeking, among other things, damages under the federal Religious Land Use and Institutionalized Persons Act ("RLUIPA"). The City responded by initiating a condemnation action against Cottonwood. Cypress tried to justify the condemnation by saying that the retail center would bring in more tax dollars than the proposed religious development because churches are tax-exempt. Cottonwood applied to the district court for a preliminary injunction.

After hearing oral arguments on Cottonwood's motion for a preliminary injunction, and on the City's motion to dismiss Cottonwood's complaint Judge David Carter announced yesterday, in a 36-page opinion, that he ruled in favor of Cottonwood on both motions. Judge Carter said that, "the City has done the equivalent of using a sledgehammer to kill an ant." He also noted, "The framers of the Constitution . . . might be surprised to learn that

the power of eminent domain was being used to turn the property over to a private discount retail corporation." The judge additionally wrote that "RLUIPA would appear to . . . be within the Congress's constitutional authority."

Sheppard Mullin has more than **330 attorneys** among its **seven offices** in Los Angeles, West Los Angeles, Santa Barbara, San Diego, Del Mar Heights, Orange County, and San Francisco. The **full-service firm** provides counsel in Antitrust & Trade Regulation; White Collar and Civil Fraud Defense; Business Litigation; Business Trial Practice; Construction, Environmental, Real Estate, Land Use Litigation & Natural Resources; Corporate; Finance & Bankruptcy; Financial Institutions; Government Contracts & Regulated Industries; Healthcare; Intellectual Property; Labor & Employment; and Tax, Employee Benefits, Trusts & Estates. **The firm is celebrating its 75th anniversary in 2002.**

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